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LEGISLATIVE ACTION

Senate	.	House
Comm: WD	.	
03/07/2013	.	
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The Committee on Banking and Insurance (Richter) recommended the following:

1 **Senate Amendment to Amendment (609336) (with directory and**
2 **title amendments)**

3
4 Between lines 1365 and 1366
5 insert:

6 (gg) The Office of Inspector General is established within
7 the corporation to provide a central point for coordination of,
8 and responsibility for, activities that promote accountability,
9 integrity, and efficiency. This is a senior management position
10 that involves planning, coordinating, and performing activities
11 assigned to and assumed by the inspector general for the
12 corporation and does not include internal audits.



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13 1. The inspector general shall be appointed by, be under
14 the general supervision of, and report to the Financial Services
15 Commission. The inspector general shall be appointed without
16 regard to political affiliation.

17 a. At a minimum, the inspector general must possess a
18 bachelor's degree from an accredited college or university in a
19 related field and 8 years of related professional experience, of
20 which 5 years must have been at a supervisory level or higher.

21 b. The inspector general is not subject to the supervision
22 of any other employee of the corporation.

23 c. The executive director or corporation staff may not
24 prevent or prohibit the inspector general from initiating,
25 carrying out, or completing any audit or investigation.

26 d. The inspector general may be removed from office only by
27 the Financial Services Commission.

28 2. The inspector general shall:

29 a. Evaluate and recommend actions regarding security;
30 ethical behavior of personnel and vendors; compliance with
31 rules, laws, policies, and personnel matters; and management's
32 compliance with recommended solutions.

33 b. Initiate, direct, coordinate, and perform studies,
34 reviews, evaluations, and investigations designed to assess
35 management practices; compliance with laws, rules, and policies;
36 and program effectiveness and efficiency.

37 c. Conduct internal examinations and investigate
38 allegations of fraud, waste, abuse, malfeasance, mismanagement,
39 employee misconduct, or violations of corporation policies and
40 any other investigations directed by the Financial Services
41 Commission or as independently determined.



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42 d. Oversee or participate in personnel and administrative
43 policy compliance and management and operational reviews and
44 conduct and select human resources-related advice and
45 consultation.

46 e. In conjunction with the ethics officer, evaluate the
47 application of a corporation code of ethics, educate employees
48 on the code and on appropriate conduct, and check for
49 compliance.

50 f. Provide input on the design and content of ethics-
51 related policy training courses, and render ethics opinions.

52 g. Participate in policy development and review. This
53 includes working collaboratively with an ethics and compliance
54 officer in the creation, modification, and maintenance of
55 personnel and administrative services policies and the
56 identification of policy enhancements, and researching policy-
57 related issues.

58 h. Participate in the activities of the senior management
59 team.

60 i. Cooperate with and coordinate activities with the chief
61 of internal audits.

62 j. Maintain records of investigations and discipline in
63 accordance with established policies.

64 k. Supervise and direct the tasks and assignments of the
65 staff assigned to assist with inspector general projects. This
66 includes regular review and feedback regarding work in progress
67 and upon completion, and providing input regarding relevant
68 training and staff development activities as warranted.

69 l. Direct, plan, prepare, and present interim and final
70 reports and oral briefings to the Financial Services Commission



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71 and executive director which communicate the results of studies,
72 reviews, and investigations.

73 m. Provide the executive director with independent and
74 objective assessments of programs and activities.

75 n. Complete special projects and assignments as directed by
76 the Financial Services Commission and perform other duties as
77 requested by the commission.

78 3. At least annually, the inspector general shall provide a
79 report to the President of the Senate and Speaker of the House
80 of Representatives regarding the creation of the corporation's
81 clearinghouse and policies returned to the voluntary market.

82 This report must include an analysis regarding the effectiveness
83 of and voluntary market participation in depopulation.

84
85 ===== D I R E C T O R Y C L A U S E A M E N D M E N T =====

86 And the directory clause is amended as follows:

87 Delete line 7

88 and insert:

89 are amended and a new paragraph (gg) is added to that section,
90 to read:

91
92 ===== T I T L E A M E N D M E N T =====

93 And the title is amended as follows:

94 Delete lines 1369 - 1383

95 and insert:

96
97 Delete lines 39 - 70

98 and insert:

99 627.351, F.S.; revising legislative intent with



100 respect to the corporation; reducing the value of
101 residential structures that can be covered by the
102 corporation; revising the corporation's eligibility
103 criteria for structures located seaward of the coastal
104 construction control line; requiring the corporation's
105 board of governors to concur with certain decisions by
106 the executive director; providing for risk-sharing
107 agreements between the corporation and other insurers
108 and specifying the requirements and limitations of
109 such agreements; revising provisions relating to the
110 appointment of the board of governors and the
111 executive director; deleting provisions allowing a
112 policyholder removed from the corporation to remain
113 eligible for coverage regardless of an offer of
114 coverage from an authorized insurer; revising
115 corporation criteria for appointing agents; requiring
116 disclosure of potential corporation surcharges and
117 policyholder obligations to try and obtain private
118 market coverage; revising provisions relating to the
119 Auditor General's review of the corporation; requiring
120 the board to contract with an independent auditing
121 firm to conduct performance audits; authorizing the
122 corporation to adopt programs that encourage insurers
123 to remove policies from the corporation through a loan
124 secured by a surplus note; revising the corporation's
125 rate standards; requiring that corporation rates be
126 competitive with approved rates charged in the
127 admitted market and include a catastrophe risk load
128 factor; limiting rate increases for specified personal



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129 and commercial lines residential policies and allowing
130 an additional rate increase; requiring the corporation
131 to annually certify its rates; requiring the board of
132 directors to provide recommendations to the
133 Legislature on ways of providing rate relief to those
134 who demonstrate a financial need; deleting obsolete
135 provisions; requiring the corporation to have an
136 inspector general; providing for appointment;
137 providing duties; requiring an annual report to the
138 Legislature; creating s. 627.3518, F.S.; establishing
139 a